

The Retirement Connection

A Newsletter for New Hampshire Retirement System's Retirees • Summer 2003 • Number 5



Cost-of-Living Adjustments — COLAs

Effective July 1, 2003, pensions will increase **2%** for Employees, Teachers and Police Officers and **3.5%** for Firefighters. The COLAs are granted by the Fiscal Committee of the New Hampshire Legislature. They become a permanent addition to the pension.

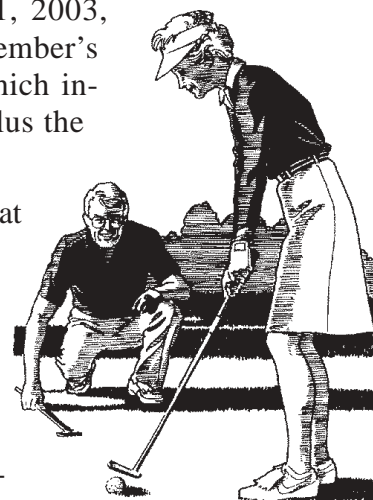
Members are entitled to receive a COLA once they are retired for at least 12 months, so those whose effective date of retirement was on or before 7/1/02 will be eligible for this COLA. Any beneficiary of such a member is also eligible.

COLAs are retroactive to one's most recent retirement anniversary dates. For those who retired on July 1, there is no retroactive payment, since that is your anniversary date. The following example details how a member might be paid a retroactive COLA:

- A member who retired on April 1, 2002 has been retired 15 months. Effective July 1, 2003, that member is eligible for the new COLA rate. That member's July pension check will include the COLA as well

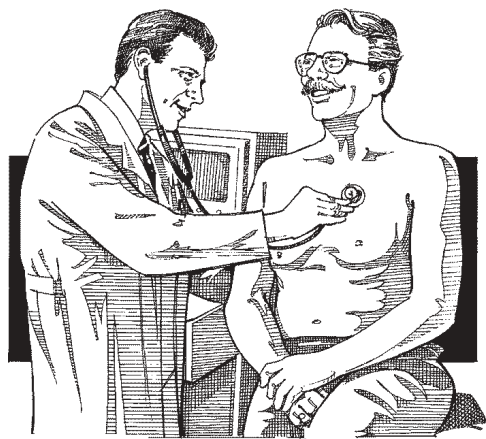
as a one-time retroactive payment of the COLA back to April 1, 2003, which is that member's most recent retirement anniversary date. Their next payment issued on August 31, 2003, will represent the member's new total benefit, which includes the pension plus the new COLA.

Note: It is possible that some retirees who are receiving the COLA may not see an increase in their net monthly benefit, due to an increase in the cost of their health insurance deduction. The cost of some health premiums have increased faster than the medical subsidy and the COLA. (See related article about the medical subsidy program).



MEDICAL SUBSIDY UPDATE

NHRS pays a post-retirement medical subsidy on behalf of eligible retirees, toward the cost of keeping them on their former employer's health plan. The payment is sent directly to the former employer or to the health care administrator. If the premium exceeds the amount paid by NHRS, the retirees are responsible for the difference, unless the employer pays it for them. The amount NHRS pays goes up by 8% each July 1.



July 1, 2003 – June 30, 2004

TYPE OF PLAN	RATE
1 Person	\$276.05
2 Person	\$552.10
1 Person Medicare Supplement	\$174.09
2 Person Medicare Supplement	\$348.18

NOTE: Group I members who retired prior to their eligibility for the medical subsidy, will begin the subsidy in the first month following their birthday. Those with 20-29 years of service are eligible at age 60; those with 30 years of service starting at age 55.



AUTOMATIC DIRECT DEPOSIT

Don't wait by the mail box for your pension check to arrive! Your money will go directly into your account the last business day of each month. This convenience, enjoyed by 70% of retirees, ensures that your benefit arrives timely and worry free. To arrange for direct deposit, contact our Annuity Program Specialist, Pauline Walsh, at extension 244.

Has your address changed? NHRS needs current address for all retirees. Even if you are on direct deposit, you will continue to be mailed an advice notification of the deposit, for your records. NHRS also sends out special notices from time to time, in addition to the annual Retirement Connection.

Estate Planning

NHRS retirees can plan ahead to help their loved ones by leaving the contact information for NHRS and Social Security with your will and other important documents. NHRS also needs to know if retirees become married or divorced.

Tax Filing Status

Retirees may have noticed a change in your June benefit payment based on the new federal Jobs and Growth Tax Relief Reconciliation Act of 2003. If you want to change your withholding status, you may contact NHRS for a new W-4P form, or go to the website of the Internal Revenue Service, www.irs.gov



GUIDE TO CONTACTING THE NHRS ANNUITY DIVISION

Call (603) 271-3351 or toll-free 1-877-917-6477 and then the appropriate extension:

Direct Deposit and Death Benefits Ext. 239

Health insurance for retired teachers, police officers, firefighters and employees of municipalities, counties and school districts Ext. 242 or 243

Health insurance for retired state employees .. Ext. 277

As a way to improve our service to our retirees, Program Specialist Pauline Walsh is available to answer questions and make sure you reach the right person to help with your needs. Pauline can be reached at extension 244, or by e-mail, pwalsh@nhrs.state.nh.us. You can also find updates concerning legislative changes on the NHRS website, www.state.nh.us/retirement.

This issue of the Retirement Connection provides general information available as of June 15, 2003, for NHRS retirees. Members are encouraged to contact an NHRS representative with specific questions. In the event of any conflict between this publication and the laws, rules and regulations that govern NHRS, the laws, rules and regulations will prevail.

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